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SECURITY COUNCIL COMMITTEE ESTABLISHED
BY RESOLUTION 661 (1990) CONCERNING
THE SITUATION BETWEEN IRAQ AND KUWAIT

NOTE VERBALE DATED 16 JANUARY 1991 FROM THE PERMANENT REPRESENTATIVE OF THE PHILIPPINES TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

The Permanent Representative of the Philippines to the United Nations presents his compliments to the Secretary-General and with reference to the latter's Note No. SCPC/7/90(3-1) dated 2 November 1990 and the former's Note No. 333 dated 30 November 1990 (S/AC.25/1990/60), has the honour to enclose the updated reply of the Philippine Government to the questionnaire of the Security Council Committee established by resolution 661 (1990).

Annex

Measures taken by the Government of the Philippines in application of Security Council resolution 661 (1990)

1. Legislative framework

(a) The measures taken within the framework of the implementation of Security Council resolution 661 (1990) are based on the Revised Tariff and Customs Code of the Philippines (Presidential Decree 1464 as amended by Executive Order No. 688).

(b) There is no need to enact any specific legislation to implement Security Council resolution 661 (1990).

(c) The Philippine Government has issued the following Administrative Orders:

(i) Monetary Board Resolution No. 945 dated 7 September temporarily suspending remittance of payments due Iraqi and Kuwaiti creditors;

(ii) Central Bank Circular No. 1266, listing entities controlled by the Government of Kuwait and/or the Government of Iraq and categorizing them as "controlled/blocked" (Residents of the Philippines are prohibited from engaging in transactions with these entities under this category and all assets under Philippine jurisdiction owned or controlled by these entities are blocked);

(iii) Maritime Industry Authority Memorandum Circular No. 58, prohibiting trade by shipping companies and other concerned maritime entities between the Philippines and Iraq and Kuwait, and including prohibitions cited in Security Council resolutions 661 and 670 as among the post-approval conditions to be complied with on all applications for bareboat charters under Presidential Decree 760/866/1711; and

(iv) Department of Trade and Industry Circular advising exporters not to transact business with Iraq and Kuwait.

2. Control of imports or activities which would promote or are calculated to promote imports or trans-shipment of goods from Iraq and Kuwait

(a) The authorities responsible are the Department of Trade and Industry, the Department of Transportation and Communications, the Central Bank and the Bureau of Customs under the Department of Finance.

(b) The specific provisions of the Administrative Orders listed under 1 (c) above effectively prevent breaches of Security Council resolution 661 (1990) by imports of items or activities covered by it.

3. Control of exports or activities which would promote or are calculated to promote sales or supply of products and commodities to Iraq and Kuwait

(a) The answer is the same as that in 2 (a).

(b) The answer is the same as that in 2 (b).

4. Control of financial or economic resources

(a) All financial transactions, e.g. issuance of letters of credit and transfer of financial or economic resources, are subject to final approval by the Central Bank and the Monetary Board.

(b) Central Bank Circular No. 1266, which has been circulated to all banks and commercial institutions specifically prohibits financial transactions between Philippine residents and those entities controlled by the Government of Kuwait and/or the Government of Iraq categorized as "controlled/blocked".

5. Enforcement

The relevant Administrative Orders listed under 1 (c) provide for systems of fines, confiscation and terms of imprisonment.

6. Other

(a) The Philippines has not yet been confronted with ostensible violations of national policies/rules implementing Security Council resolution 661 (1990).

In scrupulously implementing the United Nations sanctions, however, the Philippines has encountered special economic difficulties. The Philippine Government has consulted with the Council on this matter, pursuant to Article 50 of the United Nations Charter (S/21712, S/22011).

(b) Claims on letters of credit for shipment of goods to Kuwait and Iraq immediately before the conflict are being handled by the Central Bank.

(c) Central Bank Circular No. 1266 also listed entities which are under the effective control of the legitimate Government of Kuwait and are categorized as "controlled/licensed to operate". Residents of the Philippines are authorized to engage in transactions with entities under this category. These authorized transactions include entering into contracts, making and receiving payments and conducting other commercial or financial transactions. If questions arise, Philippine financial and commercial institutions are instructed to request, from the entities concerned, copies of the operating licenses.